

Message Text

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ACTION SCS-03

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TAGS: VDIS, PINT, VE

SUBJECT: VOTING MACHINES CONTROVERSY

REF: CARACAS 3155

SUMMARY: VOTING MACHINES CONTROVERSY CONTINUES TO BE MAJOR
POLITICAL

STORY HERE AS PARTIES VIE FOR POSITON ON ISSUE AND INVESTIGATIONS
CONTINUE. IN PAST FEW DAYS CHARGES AND COUNTER- CHARGES BETWEEN AD
AND COPEI HAVE COME TO DOMINATE NEWS. AVM HAS PUT ITS CASE TO
VENEZUELAN PUBLIC EVEN AS ANOTHER FORMER VENEZUELAN AGENT OF AVM
HAS
ANNOUNCED HE WILL SUE COMPANY IN US COURT FOR HIS COMMISSION.
CHARGES GROWING OUT OF VOTING MACHINES CASE AND OTHER ALLEGATIONS
OF
CORRUPTION PROMISE TO BECOME MAJOR CAMPAIGN ISSUE. END SUMMARY

1. VOTING MACHINES CONTROVERSY CONTINUES TO DOMINATE POLITICAL
SCENE,
WITH MORE VOLATILE COMMENTATORS AND OBSERVERS CALLING IT TH
COUNTRY' S
MOST SERIOUS POLITICAL SCANDAL SINCE THE INCEPTION OF DEMOCRATIC ERA
IN 1958. MOST MAJOR POLITICAL PARTIES HAVE NOW TKEN POSITION ON
WHETHER OR NOT CONTRACT WITH AUTOMATIC VOTING MACHINES CORP. (AVM)
SHOULD BE CANCELED: DEMOCRATIC ACTION (AD), PEOPLES ELECTORAL
MOVE-
MENT (MEP), AND COMMUNIST PARTY CONTINUE TO FAVOR ADHERENCE TO
CONTRACT, WHILE DEMOCRATIC REPUBLICAN UNION (URD), NATIONAL
DEMOCRATIC

FRONT (FND), AND MOVEMENT TOWARD SOCIALISM (MAS), POPULAR
DEMOCRATIC

FORCE (FDP), AND LIKELY INDEPENDENT PRESIDENTIAL CANDIDATE MIGUEL ANGEL BURELLI RIVAS HAVE COME OUT FOR RESCISION OF CONTRACT (URD HAS SWITCHED FROM POSITION IT ADOPTED WHEN STORY FIRST BROKE). GOVERN- LIMITED OFFICIAL USE

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MENT PARTY COPEI HAS ALL BE CALLED FOR RESCISION. CONGRESSIONAL, CONTROLLER GENERAL' S, AND JUDICIAL INVESTIGATIONS ARE EXPECTED TO CONTINUE FOR SEVERAL WEEKS.

2. DURING PAST FEW DAYS CENTER OF ATTENTION IN THE CASE HAS SHIFTED TO AN ACRIMONIOUS PUBLIC DEBATE BETWEEN COPEI AND AD, WITH FORMER CLAIMING ITS HANDS ARE CLEAN AND CALLING UPON AD TO " CLARIFY" ITS ROLE IN CASE, AND LATTERDEFENDING ITSELF AGAINST ANY WRONGDOING AND HINTING THAT HANKY- PANKY MAY BE INVOLVED IN MINISTRY OF FINANCE' S ARRANGING FOR LETTER OF CREDIT THROUGH BANK IN NEW YORK OF QUESTIONABLE FINANCIAL STRENGTH. AD IS ALSO ALLUDING TO OTHER INSTANCES OF ALLEGED COPEI CORRUPTION OR INFLUENCE PEDDLING AS PART OF ITS COUNTER- ATTACK.

3. ON APRIL 17 AVM RAN LENGTHY PAID ADVERTISEMENT IN ALL MAJOR CARACAS DAILIES GIVING ITS SIDE OF STORY (TEXT BEING TRANSMITTED VIA A-198). AVM DRIVES HOME POINT THAT NO COMMISSIONS (AND HENCE BY IMPLICATION NO BRIBES) HAVE BEEN PAID, AND THAT IN BREAKING ITS AGREEMENTS WITH AGENTS MANGIN AND BLANCO IT WAS ACTING IN CONSONANCE WITH ANTI- BRIBERY CLAUSE THAT LATER WAS WRITTEN INTO CONTRACT WITH VENEZUELAN GOVERNMENT. WE UNDERSTAND AVM OFFICIALS AND ATTORNEYS HAVE RETURNED TO US.

4. VENEZUELAN AGENT BLANCO HAS ANNOUNCED THAT LIKE MANGIN HE WILL ALSO BRING SUIT IN US DISTRICT COURT TO FORCE AVM TO PAY COMMISSION DUE HIM. HE HAS DENIED OFFERING ANY BRIBES AND HAS STATED THAT HE HAS NO CONNECTION WITH AD. AD HAS LIKEWISE DENIED ANY CONNECTION WITH BLANCO. COPEI HAD CALLED ATTENTION TO EXCEPTS OF TRANSCRIPT OF MANGIN VS AVM COURT CASE CONTAINING PURPORTED AVM LETTER TO BLANCO INDICATING HE WAS TO WORK TO OBTAIN AD' S SUPPORT FOR AVM TO WIN CONTRACT, AND HAD POINTED OUT THAT BLANCO HELD HIGH- LEVEL POSITION IN LAST AD ADMINISTRATION.

5. COMMENT: POLITICALLY NOTIVATED CHARGES AND COUNTER- CHARGES

GROWING OUT OF VOTING MACHINES CASE ARE EXPECTED TO CONTINUE FOR SOME TIME HERE, AND GENERAL ISSUE OF CORRUPTION PROMISES TO BECOME MAJOR CAMPAIGN ISSUE BETWEEN COPEI AND AD. OTHER PARTIES ON RIGHT AND LEFT SUCH AS FND AND MAS WILL CONTINUE TO PRESS POINT THAT CORRUPTION IS ENDEMIC PARTY OF " SYSTEM" MAINTAINED BY AD AND COPEI. MCCLINTOCK

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